Country and Sector Background

1. Government-financed child health, malnutrition and early education programs are already well-established in the Philippines. Of these programs, the child health program has been relatively successful and still has much potential that could be realized. The others have all achieved some degree of success, though they still require further development. However all suffer from chronic underfunding in terms of inadequate equipment, numbers of field-level staff and other operating expenses. This is worsening under the effects of devolution, since Local Government Units (LGUs) generally do not understand the importance of these programs or accord them high priority.

2. Though precise data are hard to find, because management information systems are deteriorating through lack of LGU interest and capacity to maintain them, signs of adverse trends in early child development programs are already appearing. For example, immunization rates are said to be falling, food supplementation programs are being halted following the withdrawal by USAID of PL480 supplies, and LGUs are defaulting on funding for vital field health staff who were or are to be hired under cost-sharing arrangements in Bank health projects. Upgrading and fine-tuning of these child health, nutrition and early education programs, with heavy targeting of poor and disadvantaged children, appears the best and most cost-effective strategy for putting the Philippines back on track in terms of early child welfare indicators and subsequent educational performance.
Objectives

3. The objectives of this project would be to assist the Government of the Philippines to: (a) improve the health, nutritional, educational and psycho-social developmental status of pre-school children; (b) improve parents' capacity to understand the needs of their children and take action to meet them; (c) improve the capacity of communities, local governments and NGOs to plan, manage and finance child development interventions in an integrated manner, and (d) improve the capacity of central government departments responsible for child development to support local governments and NGOs in the planning, management, financing, monitoring and evaluation of early childhood development (ECD) programs.

Description

4. To accomplish these objectives, the project will support a part of the Government overall ECD program and would consist of the following components:

   Service Delivery: to strengthen the coverage and quality of the following devolved programs (central support departments shown in parentheses): (i) child health (Department of Health--DOH), (ii) child nutrition (DOH, Department of Social Welfare and Development--DSWD, National Nutrition Council--NNC), and (iii) pre-school and parent effectiveness programs (DSWD), with support for reorienting their design, targeting and implementation strategies as necessary.

   Institutional Strengthening: to strengthen the capacity of local governments to plan and manage child development programs through provision of training and technical assistance from central government. This component would also strengthen the capacity of DOH and DSWD to carry out the institutional development function, and the capacity of the Council for the Welfare of Children and NNC to provide policy development, coordination and evaluation support.

   Community Partnership: to expand the existing network of community/NGO/local government partnerships to do more in child development.

   Research and Evaluation: to finance baseline and evaluation studies and operations research.

Financing

5. The size of the national ECD program is still uncertain. The ECD sector report costed the 6-year program out at around US$350 million, or US$50-60 million annually. Costs for the Bank-assisted project would be at least US$80 million with an IBRD proposed loan amount of US$40 million. Cofinancing to cover the financing gap as well as technical support would be sought from multilateral and bilateral agencies, including ADB, UNICEF and WHO.

Project Implementation

6. Since the services to be strengthened under the project have been
devolved to local governments, they would be the main implementing agencies. Project funds for service delivery would be channeled to them and to NGOs involved in the project by the central government, for agreed activities. The DOH and DSWD would play a support role, providing training, technical assistance and monitoring support; project funds for central-level support activities would be channeled to them. The project would be implemented over six years.

Sustainability

7. An analysis of the affordability and sustainability of the strengthened ECD programs is being done as part of the ADB-financed preparation effort. Preliminary results indicate that they will be very affordable and easily sustainable out of domestic resources after completion of the investment program and project. More information is however needed on the capacities and attitudes of LGUs. Additional field studies on this topic are planned over the next few months.

Lessons Learned from Past Operations in the Country/Sector

8. The Bank is supporting three health/nutrition projects in Philippines at present: The Philippines Health Development Project (PHDP), the Urban Health and Nutrition Project (UHNP), and the Women’s Health and Safe Motherhood Project (WHSMP). The Bank has also supported two primary education projects in the Philippines, of which the first was a sector loan with a policy and program reform agenda, and the second was structured as a budget support operation with some investment in infrastructure and no project management unit.

9. On the health side, where project objectives have been relatively straightforward and no major policy reforms attempted, objectives are being satisfactorily met and no major failures have yet occurred. On the education side, where policy goals were ambitious and far-reaching, little policy and program reform was actually achieved.

10. Overall experience in these projects shows that the central agencies have proved to be capable of implementing projects in these areas, but they have required attentive supervision to ensure that sufficient time and energy is devoted to project management. Ambitious policy and program reforms have not proved to be achievable. Lessons for future projects are that: 1) projects should be structured to build upon and strengthen existing programs and interventions, with realistically-scaled degrees of change and reform; 2) project management systems must be carefully designed to maximize attention to day-to-day implementation needs; and 3) LGUs must be strengthened and fully integrated into project design and implementation arrangements.

Poverty Category

11. The project would fall under the Program of Targeted Interventions, being targeted to poor families, communities and provinces.

Environmental Aspects
12. An environmental ranking of ‘C’ has been assigned to the Project. There are no resettlement issues. The special needs of indigenous peoples have been incorporated into the consultation process described below and would be covered under special targeting arrangements.

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Note: This is information on an evolving project. Certain components may not necessarily be included in the final project.